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311702Z Jan 03

C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000245

STATE PASS USTR/PADILLA STATE FOR EB/EPPD/PD AND EUR/PPD VIENNA FOR FAS BUDAPEST FOR ENVIRO HUB

E.O. 12958: DECL: 01/23/2013

TAGS: KPAO EAGR ETRD TBIO EAGR ETRD TBIO HR HRKPAO SUBJECT: WTO BIOTECH PUBLIC DIPLOMACY RESOURCE CONFIDENTIAL

PAGE 02 ZAGREB 00245 01 OF 02 311719Z OUERY-CROATIAN CONTEXT

REF: STATE 21881

CLASSIFIED BY: ECONOMIC OFFICER, ISABELLA DETWILER, REASONS 1.5 (D AND E)

SUMMARY

11. (SBU) POST FEEDBACK ON REFTEL WTO BIOTECH MEDIA STRATEGY IS SHAPED BY OUR ACTIVE INVOLVEMENT IN THE ISSUE AND IS SHAPED BY OUR ACTIVE INVOLVEMENT IN THE ISSUE AND CROATIA'S STATUS AS AN EU ASPIRANT WHICH PLANS TO SUBMIT AN APPLICATION FOR ACCESSION NEXT MONTH. IN CROATIA, THERE IS LITTLE PUBLIC UNDERSTANDING OF TRADE ISSUES, EVEN LESS OF INTERNATIONAL ENVIRONMENTAL OR DEVELOPMENT ISSUES. THUS OUR CAMPAIGN WOULD FOCUS ON ISSUES DEAR TO CROATIANS - THE FOOD THEY EAT AND THEIR DESIRE TO KNOW WHAT IT IS THEY ARE EATING. END SUMMARY.

REACTIONS TO SUGGESTED MESSAGES

(SBU) POST GENERALLY AGREES WITH THE THEMES OFFERED REFTEL. TO TAILOR THE MESSAGE, AFTER MAKING THE STRONG POINT THAT THE WTO DISPUTE IS NOT ABOUT WHETHER THE BIOTECH IS SAFE OR NOT -- THE EU CONCEDES IT IS -- BUT RATHER THE FAILURE OF THE EU TO FOLLOW THROUGH ON INTERNATIONALLY ACCEPTED RULES, WE NEED TO ADDRESS VIGOROUSLY THE PUBLIC PERCEPTION THAT BIOTECH FOODS ARE SUSPECT AND THAT THE US DOES NOT RESPECT CROATIANS' RIGHT TO CHOOSE. IF WE DO NOT OVERCOME THAT CONFIDENTIAL

ZAGREB 00245 01 OF 02 311719Z PERCEPTION, WE COULD WIN THE TRADE BATTLE BUT LOSE THE MARKETING WAR.

- 13. (C) FOLLOWING COMMENTS ARE KEYED TO REFTEL:
- -- THEMES A AND B (WTO COMMITMENTS, RULES-BASED APPROVAL PROCESS): WE NEED TO MAKE CLEAR THAT THE EU HAS A PROCESS TO PROCESS): WE NEED TO MAKE CLEAR THAT THE ED HAS A PROCESS A.
 REVIEW APPLICATIONS FOR THE BIOTECH PRODUCTS, HAS DETERMINED
 THEY ARE SAFE, AND IS STALLING NONE THE LESS. WHILE A
 DETAILED ANALYSIS OF THE TRADE ISSUES MAY BE USEFUL FOR OUR
 GOVERNMENT INTERLOCUTOR, WE WILL NEED TO KEEP IT SIMPLE FOR THE PRESS AND THE PUBLIC.
- -- THEME C (MISINFORMATION AGGRAVATING FAMINE IN AFRICA): TO DATE, THE CROATIAN PUBLIC HAS NOT BEEN SEIZED WITH THIS ISSUE. ITS RECEPTIVITY TO THIS MESSAGE IS UNCERTAIN.
- THEME D (BIOTECH SAFE, NO SCIENTIFIC BASE FOR MORATORIUM): THIS IS AN IMPORTANT THEME TO PURSUE IN CROATIA. UNFORTUNATELY, FOR EVERY SCIENTIFIC STUDY WE CAN OFFER UP, THE OPPONENTS OF BIOTECH ARE ABLE TO OFFER UP ANOTHER STUDY, WHICH WHILE OF MORE-THAN-DUBIOUS QUALITY, OFTEN REDUCE OUR CITING SOURCES WHICH HAVE CONCLUDED THAT BIOTECH IS IMPACT. SAFE, SUCH AS THE EU ITSELF AND THE WHO, WOULD BE VALUABLE, AS THEY ARE CONSIDERED MORE NEUTRAL THAN THE USG.
- -- THEME E (BIOTECH WILL HELP DEVELOPING COUNTRIES): CROATIANS ARE NOT OVERLY CONCERNED WITH ECONOMIC GROWTH IN DEVELOPING COUNTRIES; WHAT THEY WORRY ABOUT IS ERODING A NICHE THEY HOPE TO EXPLOIT AS AN UNSPOILED, "NATURAL" MEDITERRANEAN PARADISE FOR EUROPEAN TOURISTS. THEY ARE ALSO CONFIDENTIAL
- ZAGREB 00245 01 OF 02 311719Z WORRIED THAT IF THEY PLANT BIOTECH FOODS, THEY MAY ENDANGER THEIR EXPORT PROSPECTS TO THE EU.
- -- THEME F (BIOTECH ENVIRONMENTALLY BENEFICIAL): CROATIANS ARE NOT INTELLECTUALLY CONSISTENT ON THE ENVIRONMENT. THE MAJORITY OF CROATIANS REGARD CROATIA AS ENVIRONMENTALLY PURE AND ARE PERFECTLY WILLING TO THINK OF GMO-FREE FOODS AS "HEALTHY FOODS," NO MATTER HOW MUCH PESTICIDE WAS USED TO

GROW THEM. NEVERTHELESS, IT IS A MESSAGE WORTH PUTTING OUT, HOPEFULLY APPEALING TO SOME MORE ENVIRONMENTALLY SENSITIVE PEOPLE AT THE MARGINS AND POINTING UP THE FALLACY THAT GMO-FREE EQUALS "ENVIRONMENTAL." FIGURES SHOWING HOW MUCH PESTICIDE IS USED ON AN AMERICAN CORNFIELD VERSUS ITS EUROPEAN COUNTERPART COULD BE ILLUMINATING.

- THEME G (CONSUMER CHOICE): THIS COULD BE A POWERFUL ARGUMENT HERE. BUT IT IS A DOUBLE-EDGED SWORD, SINCE THE CROATIAN PUBLIC BELIEVES CONSUMER CHOICE MUST BE ENSURED BY LABELING. A RECENT US SPEAKER TRIED TO MAKE THE ARGUMENT THAT LABELING OF BIOTECH FOODS WOULD REDUCE CONSUMER CHOICE. GROCERY MANUFACTURERS WOULD REFUSE TO USE BIOTECH SOURCES
SINCE CONSUMERS WOULD INEVITABLY REJECT BIOTECH FOODS LABELED THIS ARGUMENT DID NOT FIND RESONANCE HERE. OUR STAUNCHEST ALLIES -- THE REPUTABLE, SERIOUS SCIENTIFIC COMMUNITY, AGRONOMISTS, TRADE AND REGULATORY OFFICIALS -- THINK THAT MANDATORY LABELING IS AN INDISPENSABLE FIRST STEP

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C O N F I D E N T I A L SECTION 02 OF 02 ZAGREB 000245

SIPDIS

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ZAGREB 00245 02 OF 02 311720Z QUERY-CROATIAN CONTEXT

TOWARD DISPELLING UNFOUNDED CONSUMER FEARS.

14. (C) WE MUST BE PREPARED TO ANSWER THE QUESTION "GIVEN CROATIA'S DESIRE TO EXPORT TO THE EU, WEAK REGULATORY STRUCTURE AND INSTITUTIONS, AND SMALL AREA, DOES THIS ACTION AGAINST THE EU MEAN THAT THE US WILL NOT ALLOW CROATIA THE TIME TO PUT INTO PLACE ALL THE STRUCTURES WE NEED TO CONTROL BIOTECH CROPS AND TO PROVIDE THE MONITORING OUR POPULACE DEMANDS OF OUR FOOD STOCKS?'

ALLIES IN A PUBLIC DIPLOMACY CAMPAIGN

(SBU) OUR BEST ALLIES IN THE PRO-BIOTECH CAMPAIGN HAVE BEEN SCIENTISTS, MAINLY THOSE WHO THEMSELVES WORK IN THE AREA OF BIOTECHNOLOGY. MUCH OF THE FOOD AND AGRICULTURAL INDUSTRIES SEE BIOTECH AS EITHER A DIRECT COMPETITIVE THREAT, OR A RISK FACTOR FOR FUTURE EXPORTS TO THE EU, SO HAVE NOT BEEN PUBLIC SUPPORTERS OF BIOTECH. ADDITIONALLY, THEY HAVE BEEN COWED BY A VOCAL, LOCAL ENVIRONMENTAL NGO FROM EVEN THINKING ABOUT SOURCING BIOTECH INPUTS. WE DO NOT KNOW OF ANY JOURNALISTS WHO COULD BE CALLED "ADVOCATES" FOR BIOTECH, BUT A NUMBER ARE WILLING TO PRESENT BOTH SIDES OF THE STORY.

SPECIFICS OF LOCAL REACTIONS TO A WTO-CASE

 ${\bf 16.}$ (C) MANY CROATIANS, INCLUDING GOVERNMENT OFFICIALS AND PARLIAMENTARIANS, CLAIM THE US APPLIES A HARSHER STANDARD CONFIDENTIAL

PAGE 03 ZAGREB 00245 02 OF 02 311720Z AGAINST CROATIA THAN OTHER COUNTRIES. THEY HAVE ACCUSED US OF THREATENING CROATIA WITH A WTO CASE WHEN THE GOVERNMENT CONSIDERED INTRODUCING A TEMPORARY BAN ON THE IMPORT OF GMOS (A DISTORTION OF THE TRUE STORY), WHILE ALLEGEDLY ALLOWING

NEW ZEALAND AND THE EU TO LIMIT THE IMPORT OF THESE PRODUCTS. ALSO, A DE FACTO BAN ON SOME PRODUCTS IS IN PLACE WHILE THE CROATIAN GOVERNMENT GLACIALLY DEVELOPS LEGISLATION AND GUIDELINES FOR EVALUATING AND APPROVING BIOTECH PRODUCTS. A WTO CASE WOULD SERVE NOTICE THAT WE WILL NOT ACCEPT INDEFINITE DELAYS. HOWEVER, IT RISKS ALSO HARDENING ALREADY ENTRENCHED NEGATIVE FEELINGS ABOUT THE PRODUCTS THAT WE HOPE TO SELL.

THE MESSAGE

17. (C) IN CROATIA, THE MOST EFFECTIVE MESSAGE WOULD EMPHASIZE THAT THE EU ITSELF HAS FOUND THESE FOODS TO BE NO MORE RISKY THAN TRADITIONAL FOODS. THE EU HAS HAD BIOTECH CROPS (SOY AND CORN) ON THE MARKET FOR YEARS WITH NO ILL EFFECTS, AND DESPITE THIS IT IS RAISING ARTIFICIAL BARRIERS. WE ARE NOT ASKING THAT THE EU DISPENSE WITH ITS APPROVAL PROCESS, BUT RATHER ASKING IT TO START USING IT.

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